

**MINUTES OF A MEETING OF  
THE LEMON GROVE CITY COUNCIL**

**June 7, 2016**

*The City Council also sits as the Lemon Grove Housing Authority, Lemon Grove Sanitation District Board, Lemon Grove Roadway Lighting District Board, and Lemon Grove Successor Agency*

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**Call to Order**

Members present: Mayor Mary Sessom, Mayor Pro Tem George Gastil, Councilmember Jerry Jones, and Councilmember Racquel Vasquez.

Members absent: Councilmember Jennifer Mendoza.

City Staff present: Lydia Romero, City Manager, David DeVries, Development Services Director; Rick Sitta, Fire Chief; Daryn Drum, Division Fire Chief; James P. Lough, City Attorney; Mike James, Public Works Director; Lt. May, Sheriff's Department; Gilbert Rojas, Interim Finance Director; and Laureen Ryan Ojeda, Administrative Analyst.

**Presentations**

Mayor Sessom presented the 26<sup>th</sup> Annual Treganza Third Grade History Essay Awards.

**Public Comment**

John L. Wood commented on a vehicle parked on Federal Boulevard for a period of time that has trailer attached.

Lani Stacks commented on the animal feed store on Broadway and suggested a ban on animal sales in Lemon Grove pet stores.

**1. Consent Calendar**

Mayor Sessom removed item I. K Fiscal Year 2016-17 City Calendar from the Consent Calendar for discussion.

Councilmember Vasquez requested the May 17, 2016, City Council meeting minutes are amended to reflect her participation in the Relay for Life event.

- A. Approval of City Council Minutes**  
May 17, 2016 Regular Meeting
- B. Ratification of Payment Demands**
- C. Waive Full Text Reading of All Ordinances and Resolutions on the Agenda**
- D. Purchase of a 2017 Chevrolet City Express Cargo Van and Mavron Animal Transport Van Conversion**
- E. Sewer Service Charges for Fiscal Year 2016-2017**
- F. Zone L Assessments for Fiscal Year 2016-2017**
- G. 2015 CIP Street Rehabilitation Project, New Jersey Avenue Deep Grind, Dig Out and Root Removal from San Miguel to Broadway**
- H. Acceptance of the 2015 CIP Street Rehabilitation Project – Concrete Repairs and Upgrade**

- I. **Notice of a General Municipal Election in the City of Lemon Grove for the Election the Mayor and Two Members of the City Council and Regulations for Candidate Statements**
- J. **Request for General Municipal Election Services from the County of San Diego**

**Action: Motion by Mayor Sessom, seconded by Councilmember Jones, to approve the Consent Calendar passed, by the following vote:**

**Ayes:** Sessom, Gastil, Jones, Vasquez  
**Absent:** Mendoza

**Resolution No. 2016-3419:** Resolution of the City Council of the City of Lemon Grove Authorizing the Purchase of 2017 Chevrolet City Express Cargo Van and Mavron Animal Transport Van Conversion

**Resolution No. 2016-280:** Resolution of the Board Of Directors of the Sanitation District Approving the Engineer's Report Regarding the Sewer Service Charges for Fiscal Year 2016-2017

**Resolution No. 2016-166:** Resolution of the Lemon Grove Roadway Lighting District Approving the Engineer's Report Regarding the Zone L Charges For Fiscal Year 2016-2017

**Resolution No. 2016-3420:** Resolution of the Lemon Grove City Council Awarding a Contract for the 2015 CIP Street Rehabilitation, New Jersey Avenue Deep Grind, Dig Out and Root Removal Project

**Resolution No. 2016-3421:** Resolution of the Lemon Grove City Council Accepting the 2015 CIP Street Rehabilitation Project – Concrete Repairs and Upgrade (Contract No. 2016-05) as Complete

**Resolution No. 2016-3422:** Resolution of the City Council of the City of Lemon Grove, California, Calling and Giving Notice of a General Municipal Election to be Held in the City of Lemon Grove on Tuesday, November 8, 2016, for the Election of the Mayor and Two Members of the City Council

**Resolution No. 2016-3423:** A Resolution of the City Council of the City of Lemon Grove, California, Adopting Regulations for Candidates for Elective Office Pertaining to Materials Submitted to the Electorate and the Costs Thereof for the General Municipal Election to be Held in Said City on Tuesday, November 8, 2016

**Resolution No. 2016-3424:** Resolution of the City Council of the City of Lemon Grove, California, Requesting that the San Diego County Board of Supervisors Authorize the San Diego County Registrar of Voters to Render Specified Services Related to a General Municipal Election in the City of Lemon Grove on Tuesday, November 8, 2016

#### **I. K Fiscal Year 2016-17**

Mayor Sessom requested that staff bring an updated policy for City Council adoption, prior to the 2017-18 calendar approval.

**Action: Motion by Mayor Sessom, seconded by Mayor Pro Tem Gastil, to approve item I. K passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Vasquez**  
**Absent: Mendoza**

## **2. 2016-17 Draft Budget Discussion**

Gilbert Rojas presented a draft Budget for the General Fund, the General Reserve Fund, other funds managed by the City and budgets for the Roadway Lighting District, Sanitation District and Successor Agency.

The total estimated revenue for the General Fund is projected to increase by 3.5%. Our three largest revenue sources continue to be Sales tax, Property tax and Property tax in lieu of VLF.

Sales tax has been projected to decrease 2.7% from last fiscal years estimate. This is due to last year's amount accounting for the end of the "triple flip" and the related "make up" payments from the State.

Property tax is estimated to increase by 3%, which is a conservative estimate since the County Assessor does not release his projections until the end of June. Any adjustment that is significant can be made at midyear.

Property tax in lieu of VLF is estimated to increase by 3%. This is also a very conservative estimate since the \$2,135,000 is the amount we have received in the prior year.

Proposed staffing changes to this fund include:

- 1) Reclassification of an Engineer Tech II to Management Analyst
- 2) Reclassification of the Finance Director position to Finance Manager (salary saving \$38,000)
- 3) Establish a new Associate Accountant position. (salary of \$56,000)
- 4) Establish an extra help position of Park Ranger (cost \$15,000)
- 5) Change of Title and responsibilities for Public Works Director. Title change will be Assistant City Manager/Public Works Director. Salary cost will be \$6,000 of which General Fund will pay for 10%.

In addition, the General Fund budget has been prepared with 2% salary increase to Fire Safety employees per contract. The Miscellaneous employees (with the exception of the City Manager) have been budgeted with a proposed 2% salary increase effective in July, 2016.

Contract Services has increased for the Fiscal Year. The Sheriff contract has will increase approximately 4.5%. While the Animal Control contract will remain the same. The City Attorney budget has been increased based on the FY 2015-16 activities. The City also contracts for engineering services and has budgeted \$330,000 which will be funded by various funding sources. Plan checking and building services is an outsourced service within the Development Services Budget. Plan checking and building inspection costs are fully paid for by the applicant.

Operational changes include:

Election cost of \$32,000

Fire Dispatch contract increased by \$15,000 due to 7.4% increase in call volume

Fire Department to replace a thermal imaging camera (cost \$12,000)

Property Insurance increased \$30,000 due to adding earthquake insurance.

General Liability insurance decreased by \$30,000

Workers Compensation cost increased by \$22,000.

It is proposed that the General Fund transfer \$100,000 to this fund in order to maintain the street maintenance effort in the City. The finances of this fund should be closely monitored during the year.

There are no planned contributions to this fund, however if General Fund revenues exceed expenditures for FY 15-16 staff will present some funding options.

This fund will be used as a “true” reserve. The City will no longer budget expenditures for Capital or Operating expenses. Any use of Reserves will be approved by the City Council and treated as a transfer-out from this fund and a transfer-in to the appropriate fund. We are also suggesting that the General Fund balance of \$3 million be moved in total or in part to this fund so as to truly reflect the City’s reserves in compliance with Council adopted policy.

These funds must be expended on maintaining and/or improving public transit facilities. Staff and contract labor provides street sweeping, power wash bus stops and tree trimming along the transit corridor. In addition, there is \$237,400 available for the Lemon Grove Avenue Realignment Project.

The City must maintain a cash balance of three times our Self Insurance Retention (SIR). Our SIR is \$125,000. Our current cash balance is \$650,000. The City maintains excess coverage from CSAC for all claims over \$125,000.

The Self Insurance Retention (SIR) is \$100,000. The City has excess insurance coverage with CSAC for all claims above our SIR. The current cash balance in this fund is \$479,000.

The Successor Agency anticipates receiving approximately \$2.4 million in Redevelopment Property Tax Trust Fund (RPTTF) proceeds from the County. The FY 2016-17 budget reflects bond interest payments totaling \$1,071,800, bond principal payments of totaling \$685,000 and repayment to the City of \$343,200 in loans.

The Lemon Grove Sanitation District manages two funds-an Operations Fund and a Reserve Fund. In FY 2016-17, the District anticipates generating \$5.8 million in total revenue. Offsetting this revenue, the District anticipates expending \$5.0 million for operating costs and \$1.5 million in Capital Improvement projects.

It is proposed that a new Sanitation Tech I position be authorized. This position will be added to the crew that does video monitoring and cleaning of sewer mainlines. In addition this fund will also pay costs associated with a new accountant position in the Finance Department. The cost will be based on workload for the District, which will be significant in future years due to the Capital Improvement program.

#### Public Speaker(s)

There were no requests from the public to speak.

After discussion, staff was directed to provide the City Council with the final consolidated budget at the June 21, 2016, City Council meeting.

### **3. Lease Agreement with CHIP/Heal Zone at the Senior Center**

Mike James reported that in February 2016, City staff was approached by Mr. Dana Richardson of Community Health Improvement Partners (CHIP) requesting if there were any city facilities that may be available for lease. Since that initial contact, CHIP and City staff has discussed possible locations as well as the initial terms of a lease agreement. Both entities found the terms of the draft agreement acceptable.

The mission of CHIP is to advance long-term solutions to prioritize health needs through collaboration and community engagement. CHIP focuses on its mission by collaborating with San Diego health care systems, hospitals, community clinics, insurers, physicians, universities, community based organizations, schools and government entities.

The services that CHIP will provide at the Senior Center include:

Determining community informed strategies, services, and resources needed to support healthy eating and active living for Lemon Grove residents.

Providing residents with opportunities to:

Purchase healthy foods and beverages,

Support small businesses in the provision of healthy foods and beverages to residents,

Increase access and use of public spaces to regularly engage in physical activities,

Improve the safety of the community to engage in said physical activity,

Support the social and emotional development of school age children, and

Leverage community resources to support the overall physical, mental, and spiritual well being of residents.

Offering intergenerational group discussions, civic engagement and learning opportunities, select physical activity and nutritional support services, community and healthcare partnerships and services, minimal financial support to participating residents, support for local civic, education, and healthcare leaders to increase the capacity to serve Lemon Grove residents in their health improvement efforts.

The professional services will consist of approximately two staff members. The participants receiving services includes Lemon Grove residence of all ages, with an emphasis on youth, seniors, and self-identified resident leaders.

Since November 2012, CHIP has been located in Clairemont Mesa, located in central San Diego. Since the first partnership between CHIP and the City began in January 2012, staff members of both entities have worked closely to meet the community's needs. By relocating to the City, CHIP will be better positioned to partner with the community residents in advocating for environmental changes and more effective policies affecting their health and well being.

Further, this work will support local, state, and national efforts to reduce incidence of preventable chronic diseases related to obesity.

Staff prepared a draft lease agreement for consideration by the City Council. The significant terms of the agreement include:

*Length of Lease* – the agreement indicates the term of the lease begins on July 1, 2016. The lease will continue month-to-month as mutually agreed to by both parties.

*Rent* – the agreement specifies a base amount of \$750 per month with a clause for no increase until June 30, 2017. This amount is an equivalent of \$0.97 per square foot of lease space. Beginning July 1, 2017, the City may implement an escalator clause of 2.5 percent or the increase in the Consumer Price Index (whichever is greater).

*Agreed Use* – the agreement indicates that office space will be used to manage a community engagement program. The office spaces will be used Monday through Friday from 9:00 a.m. to 7:30 p.m. and no more than one weekend per month. The hours of operation are a general range that may or may not be used during the entire time. The number of community meetings and community requests for services will have an impact on the actual hours used. The use of the office space during the time range will not interfere with any other lessee or City use.

*Utilities/Maintenance* – the agreement states that the City will pay for gas & electricity, water, solid waste, and general maintenance of the building. The CHIP will be responsible for all other utilities such as telephone, television, and internet. Also, each year, the proportion of paying for utilities will be evaluated and renegotiated, if deemed necessary by the City.

*Indemnity/Insurance* – the indemnity and insurance language included in the lease agreement includes the City's standard requirements.

*Termination* – the lease agreement allows either party to terminate the lease agreement with a thirty-day written notice.

*Capital Improvements* – according to the lease agreement, the City will have the responsibility for major maintenance and repairs.

Staff estimates there are \$6,000 worth of capital improvements required at the back building of the Senior Center. The improvements include replacing two HVAC wall mounted units and security installation fee and ongoing costs. As such, staff recommends that one year's worth of revenue is allocated to the improvements.

Mayor Sessom noted that Councilmember Mendoza sent an email regarding the benefits that Community Health Improvement Partners provide to the City and the cost of the lease.

#### Public Speaker(s)

There were no requests from the public to speak.

**Action: Motion by Councilmember Jones, seconded Mayor Pro Tem Gastil, to adopt the resolution passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Vasquez**

**Absent: Mendoza**

**Resolution No. 2016-3425:** Resolution of the City Council of the City of Lemon Grove, California Approving a Lease Agreement Between the City of Lemon Grove and Community Health Improvement Partners for Use of a Portion of the Senior Center Located at 8235 Mount Vernon Street, Lemon Grove, California

#### **4. Third Party Administrator for Worker's Compensation Claims Management Services**

Corinne Russell stated that in 1995, City Council authorized the City to join the San Diego Pooled Insurance Program Authority (SANDPIPA) member group for the services for City-wide Workers' Compensation Claims Administration. SANDPIPA contracted with Tri-Star Risk Management (Tri-Star) for Workers' Compensation Services. Since 1995, SANDPIPA amended the agreement with Tri-Star to continue to provide Workers' Compensation Services to SANDPIPA cities. SANDPIPA is dissolving effective July 1, 2016 and the SANDPIPA Workers' Compensation Services contract with Tri-Star Risk Management will expire on July 31, 2016.

On February 3, 2016, the City along with three other San Diego Cities (cities of Encinitas, National City and Vista) issued a request for proposal to perform Workers' Compensation Third-Party Administration/Claims Review Services (TPA). Nine proposals, including the City's current TPA Tri-Star, were received by the cities from firms with varying levels of experience, expertise and pricing. Based on the RFP evaluation selection criteria, four vendors, including Tri-Star, were invited to make a formal presentation on April 20, 2016 to the selection panel.

The panel evaluated four vendors on the basis of the selection criteria contained in the Request for Proposal (RFP).

Criteria included, but was not limited to: response to RFP and scope of work; other city-clients with similar complex claims (including public safety); pricing; TPA's responsiveness and commitment to customer service, communication with employees/staff; and TPA staffing levels. Of the four TPA's interviewed, the initial selection panel recommended two finalists. In May, further clarification was sought from the two finalists on issues such as bill review fees, nurse case manager fees, utilization review fees, staffing levels, and specific customer service requirements. In addition, the Cities performed reference checks on the two finalists, including the TPA's current and past clients to determine if each TPA was consistently able to meet customer satisfaction and responsiveness for employees/staff, professionalism, and overall claim administration services.

Based on the information provided in the RFP, oral presentations, pricing details, customer services levels and reference checks, AdminSure Inc. was the unanimous choice by the selection panel. Specifically, AdminSure Inc. was chosen based on competitive prices, excellent customer service, unique tailored approach to each City, and customer satisfaction. Staff is therefore recommending to the Lemon Grove City Council that the City enter into a contract with AdminSure Inc. for TPA services. Although the RFP was jointly issued, each City is contracting with AdminSure Inc, independently.

Public Speaker(s)

There were no requests from the public to speak.

**Action: Motion by Councilmember Jones, seconded by Councilmember Vasquez, to adopt the resolution passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Vasquez**

**Absent: Mendoza**

**Resolution No. 2016-3426:** Resolution of the City Council of the City of Lemon Grove, California Adopting an Agreement with Adminsure Inc. for Workers' Compensation Third-Party Administration and Claims Review

**City Council Oral Comments and Reports on Meetings Attended at the Expense of the City. (GC 53232.3 (d))**

Councilmember Jones attended recent Metro Wastewater and Rotary meetings.

Councilmember Vasquez attended Heartland Fire and Rescue BBQ in Lemon Grove and the League of California Cities Housing, Community and Economic Development Committee meeting.

Mayor Pro Tem Gastil reported that he attended the 19<sup>th</sup> Annual San Diego Networking Luncheon sponsored by California Women Lead, California League of Cities Legislative luncheon, a MTS meeting, the Lemon Grove Historical Society art exhibit opening, two San Altos School retirement celebrations, Heartland Fire and Rescue BBQ in Lemon Grove and the Lemon Grove Lions Club 1<sup>st</sup> Annual Salsa Fiesta.

Mayor Sessom attended SANDAG's Board of Directors meeting and the Chamber of Commerce First Friday breakfast.

**City Manager and Department Director Reports**

Mike James reported that Lemon Grove's Summer Day Camp begins June 9.

Chief Drum thanked those in attendance at the Heartland Fire and Rescue BBQ in Lemon Grove and Mayor Pro Tem Gastil for attending the Salsa Fiesta and noted that Heartland Fire and Rescue entered 4 cars in the San Diego County Fair Destruction Derby and all four cars made it to the finals with 2 cars placing in the top 3.

Lt. May reported that on June 15 "Sheriff's Coffee with the Community" will be held between 8:00 a.m. and 10:00 a.m.

Lydia Romero thanked Gilbert Rojas for the budget preparation.

### **Adjournment**

There being no further business to come before the City Council, Housing Authority, Sanitation District Board, Lemon Grove Roadway Lighting District Board, and the Lemon Grove Successor Agency the meeting was adjourned at 7:25 p.m.

*Susan Garcia*

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Susan Garcia, City Clerk